



DEPARTMENT OF THE AIR FORCE  
HEADQUARTERS UNITED STATES AIR FORCE  
WASHINGTON DC

MEMORANDUM FOR ALMAJCOM/CE  
HQ AFCEE/CC

8 NOV 1999

FROM: HQ USAF/ILE  
1260 Air Force Pentagon  
Washington DC 20330-1260

SUBJECT: Policy on Supervision and Inspection of Air Force Housing Privatization Projects

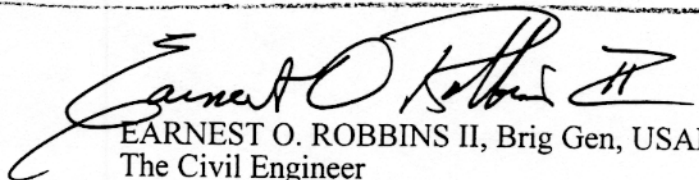
As we progress with Air Force housing privatization initiatives, new issues arise regarding public-private partnering, coordination and cooperation that require additional policy and guidance. The most recent issue encountered concerns the level of construction supervision and inspection needed for a privatization project.

Air Force housing privatization projects are more private than public, regardless of whether they are on or off base. In most privatization projects, the Air Force is providing less than half of the necessary financial contribution and bears a minority of the financial risk. Most of the financial risk is borne by private financial interests who have time-sensitive debt repayment schedules. Therefore, the Air Force must make every effort to ensure we have a balanced construction inspection program that neither causes a private business venture unnecessary delays and costs, nor jeopardizes Air Force interests and investments.

The following policy applies to Air Force housing privatization projects, initiatives and ventures currently under consideration and those planned for future execution. The scope and nature of supervision and inspection should consider where the project is sited and whether the installation has jurisdiction over the property.

- a. The Air Force will provide supervision and inspection of project construction to the level necessary to ensure compliance with the negotiated agreements, local and federal construction codes, and AF quality standards. The level of inspection required to achieve this objective is up to the MAJCOM and installation.
- b. Typically the developer will arrange for the inspection services of local and city inspectors to ensure compliance with local and federal construction codes. The Air Force should provide the necessary checks to ensure these inspections have occurred or provide the necessary inspections when they are unavailable.
- c. Where the installation does not have the ability to provide the proper level of inspection, Title II service contracts specifically designed to provide the inspection service may be pursued.

Regardless of the method used to accomplish supervision and inspection, we strongly encourage partnering sessions with the successful offeror, the in-house and local inspectors or Title II contractor, and the installation leadership. These partnering sessions will serve to develop positive relationships and ensure these long-term business arrangements begin on the right note.

  
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